

22ND ANNUAL REPORT

2016-17



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)

CIN-U75122KL1995SGC008705

“SENTINEL”, 2ND FLOOR, •
TC 27/588(7) &(8),
PATTOOR, VANCHIYOOR P.O
THIRUVANANTHAPURAM-695035

ANNUAL REPORT 2016-17

CONTENTS

<u>Sl No:</u>	<u>Particulars</u>	<u>Page No:</u>
1	Board of Directors	1-1
2	Notice of Annual General Meeting	2-2
3.	Directors' Report for the year 2016-17	3-7
4.	KSBCDC –Activity Report- 2016-17	8-13
5.	Review & Comments by Comptroller & Auditor General of India for the Audited Accounts ended 31 st March 2017	14-14
6.	Reply to the Comment of the Comptroller & Auditor General of India	15-15
7.	Comments of the Secretary (Expenditure) on the Audited Accounts ended 31 st March 2017	16-16
8.	Reply to the Comments of the Secretary (Expenditure) on the Audited Accounts ended 31 st March 2017	17-18
9.	Independent Auditor's Report for the year ended 31 st March 2017	19-28
10.	Reply to Independent Auditor's Report for the year ended 31 st March 2017	29-29
11.	Annual Accounts	30-46

Board of Directors

<u>Sl No:</u>	<u>Name</u>	<u>Designation</u>
1	Shri.SangeethChakrapani	Chairman
2	Shri.K.Narayan	Director
3.	Shri.Md.Shahbhaz Ali	Director
4.	Shri.V.Rajappan	Director
5.	Shri.Suresh Kumar P.N	Director
6.	Shri.P.Pughazendhi I.F.S	Director
7.	Shri. GopiKottamurickal	Director
8.	Shri.A.P.Jayan	Director
9.	Shri.A.Mahendran	Director
10.	Shri.T.Kannan	Director
11.	Shri.K.T.Balabhaskaran	Managing Director

Company Secretary & General Manager (F&A) i/c

R.Ram Ganesh

Statutory Auditors

M/s R.Venkitachalam& Associates
Chartered Accountants,
TC 25/85 "Ramaraj"
Gandhari Amman Kovil Road
Puthenchanthai
Thiruvananthapuram-695001

Our Banker

State Bank of India
Kaithamukku Branch
Thiruvananthapuram

www.ksbcd.com



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)
CIN-U75122KL1995SGC008705

NOTICE

Notice is hereby given that the 22nd Adjourned Annual General Meeting of the Shareholders of Kerala State Backward Classes Development Corporation Limited will be held on Friday, the 10th August at 11.00 a.m at the Registered Office of the Company situated at “SENTINEL” IIInd Floor, TC 27/588 (7) & (8), Pattoor, Vanchiyoor P.O, Thiruvananthapuram-695035 to transact the following business.

“To receive, consider, approve and adopt the Directors’ Report, Audited Accounts for the year ended 31st March 2017, Auditor’s Report, the comments of the Comptroller & Auditor General of India, the Comments of the Finance Department and the replies thereon.”

By the order of the Board
For Kerala State Backward Classes Development Corporation Limited.,

02/08/2018
Thiruvananthapuram

R.Ram Ganesh
Company Secretary

THE KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LTD., PATTOOR, THIRUVANANTHAPURAM

DIRECTORS' REPORT

Dear Shareholder,

Your Directors take pleasure in presenting the Twenty Second Annual Report on the business, operations and achievements of your Corporation together with the Audited Annual Accounts for the year ended 31st March 2017.

As you may be aware, your Corporation was incorporated on 28th February, 1995 under the Companies Act 1956 wholly owned by the Government of Kerala under the administrative control of the Backward Communities Development Department and is a Non-Banking Finance Company registered with RBI.

The Authorized share capital of the Corporation is Rs.100 Crores out of which equity shares worth Rs.100 Crores has already been issued. However the Authorized Share Capital has been recently enhanced to Rs. 150 Crores and actions have been taken to allot the shares pending for allotment. The main objective of the Corporation is the uplifting of the Backward Classes and Minority Communities within the State of Kerala and this is by way of rendering financial assistance, setting up self-employment ventures and also by undertaking such other welfare activities.

1. Operational activities and working results

Financial Results	For the year ended 31st March 2017 (Rs. In lakhs)	For the year ended 31st March 2016 (Rs. In lakhs)
A. INCOME		
Interest Earned	5303.74	4891.96
Other Income	252.99	195.44
	5556.73	5087.40
B. EXPENDITURE		
Finance Costs	1657.20	1637.13
Payment & Provision for Employees	1171.52	1047.03
Administrative and Other Expenses	510.82	-1.83
Depreciation	33.05	30.74
	3372.59	2713.07
Net Profit (A-B)	2184.14	2374.33

The profit earned by the Corporation during the period under report is Rs.2184.47 Lakhs as against Rs.2374.33 Lakhs during the previous year. The total profit was transferred to Reserves and Surplus. The total reserve stands at Rs.19447.66 lakhs which includes Special Reserve of Rs.351.54 lakhs from 'Loanees' Distress Relief Fund.

2. BOARD OF DIRECTORS

The appointment and cessation of Chairmanship and Directorship during the relevant accounting year 2016-17.

Name	Designation	Date of Appointment	Cessation
Smt.O.Chandrika	Director	17.04.2015	25.04.2016
Smt.Sherin Francis	Director	26.06.2015	25.04.2016
Shri.MohanSankar	Chairman	07.05.2012	23.05.2016
Shri.A.A.Naqvi	Director	30.12.1997	07.06.2016
Shri.B.Dileep Kumar	Managing Director	17.08.2011	20.07.2016
Shri.Joshi V.R	Director	10.04.2012	13.10.2016
Shri.S.KuttappanChettiar	Director	18.08.2012	03.02.2017
Shri.Sahayadas J	Director	18.08.2012	03.02.2017
Shri.J.Sajikumar	Director	23.06.2015	03.02.2017
Shri. E.K. Prakash	Director	05.08.2014	26.10.2017
Shri.K.Narayan	Director	07.06.2016	Continuing
Shri.K.T.Balabhaskaran	Managing Director	20.07.2016	Continuing
Smt.P.Snehalatha	Director	13.10.2016	11.08.2017
Shri.SangeethChakrapani	Chairman	14.11.2016	Continuing
Shri.MD.Shahbaz Ali	Director	19.12.2016	Continuing
Shri.V.S.Mohammed Ibrahim	Director	17.01.2017	30.04.2017
Shri.GopiKottamurickal	Director	03.02.2017	Continuing
Shri.A.Mahendran	Director	03.02.2017	Continuing
Shri.A.P.Jayan	Director	03.02.2017	Continuing

The Board would like to place on record the valuable services rendered by them during their tenure as the Board of Directors of Kerala State Backward Classes Development Corporation Ltd.

3. DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of section 134(5) of Companies Act 2013, we confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed to the extent possible along with proper explanations relating to the material departures.
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and the profit of the company for that period
- that the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for

preventing and detecting fraud and other irregularities that directors had prepared the annual accounts on a going concern basis.

4. CORPORATE GOVERNANCE

Your Corporation being a Government Company has been following good Corporate Governance which involves transparency, full disclosure, independent monitoring of the state of affairs of the Corporation and the compliance of laws and regulations in accordance with the policies and guidelines of the Government from time to time.

5. CORPORATE SOCIAL RESPONSIBILITY

Your Corporation as contemplated in Schedule VII the Companies Act 2013 formed a seven member committee known as the Corporate Social Responsibility Committee with the Chairman and three independent Directors of the Corporation making the number of independent directors to four, one Director from the Kerala Government Secretariat one from the Backward Community Development Department and the Managing Director altogether forms the committee. Also it was decided that the presence of at least five of the above said members is sufficient enough to make the decisions of the sub-committee valid. During the year your Corporation has expended Rs. 52,60,309/- as CSR expenses which is 2.4% of the Corporation's total profit of the year.

6. AUDIT COMMITTEE

The Board of Directors has constituted an Audit committee with Shri.S.Kuttappan Chettiar as Chairman and Directors Shri.Sathyan Vandichalil, Shri.Sahayadas J, Shri.E.K.Prakash & Shri.V.R.Joshi as its members.

7. CAPITAL STRUCTURE

The Authorized Share Capital of the Corporation is Rs.100 Crores. Even though your Corporation received Rs.13. Crores further from the Government of Kerala during the year the Corporation, the Shares could not be allotted for the Financial Year 2016-17 since the Authorized Share Capital was not enhanced and the amount of Rs. 24.85 Crores was shown as Share Application money received and pending allotment. It is to be noted that the Government of Kerala has already increased the Authorized Share Capital to Rs. 150 Crores and remaining shares pending for allotment will be allotted to this effect ie;- in the Financial Year 2017-18.

8. ACHIEVEMENTS DURING THE YEAR

- (i) By utilizing the resources mobilized from NBCFDC, NMDFC and the financial assistance made by the Government of Kerala in addition to the own fund, financial assistance was provided to 37766 beneficiaries belonging to Backward and Minority communities under various projects with a total disbursement of Rs. 31692.37 lakhs. The total disbursement made during the corresponding previous year was Rs. 27,602 Lakhs.

- (ii) Collection and Recovery from Beneficiaries: Total recovery from the beneficiaries during the year is Rs. 26349 lakhs against the target of Rs. 30050lakhs. As per the Demand Collection Balance (DCB) statement the cumulative collection percentage during the year is 97.06% .

9. PROJECTS UNDERTAKEN

- i) During the year 2016-17 the Corporation has extended its financial assistance to the society by giving assistance in the following manner :

Schemes	No. of Beneficiaries	Amount
Self-employment	4321	6507.38
New Swarnima	16	14.00
Education Loan	1070	2813.69
Micro Finance	16686	4846.98
Marriage Assistance	2966	4232.1
Swasthagriha	201	469.05
Working capital	673	1089.66
Suvarnasree	2957	5109.10
MahilaSamridhiYojana	6606	1826.97
Business Development Loan	123	318.03
Vehicle Loan	69	55.24
Consumer Durable	2	2.00
Personal Loan	1817	3864.37
Others	259	543.8
Total	37766	27602.56

10. PERSONNEL

During the year, the affairs of the Corporation were carried on by regular employees of the Corporation, employees of various Government Departments and Public Sector Undertakings hired on deputation, contract employees and by those who were engaged on daily rate basis. With regard to disclosure of particulars of employees in terms of Section 314 (1)B of the Companies Act 2013, it is to report that none of the employees was in receipt of remuneration in excess of what is being prescribed therein during the year.

11. STATUTORY AUDITORS

M/s R Venkitachalam & Co, Chartered Accountants, Thiruvananthapuram was appointed by the Comptroller and Auditor General of India, New Delhi, as Statutory Auditors for the year 2016-17 in terms of Section 139(5) of the Companies Act 2013. The comments of Statutory Auditors were replied in the Addendum to the Directors Report.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

As required by the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, it may be reported that Kerala State Backward Classes Development Corporation Ltd, being a non-manufacturing concern, the provisions of the said Rules have no application to the Corporation.

13. ACKNOWLEDGEMENT

The Board of Directors would like to place on record its gratitude and appreciation to Government of Kerala, NBCFDC and NMDFC for the financial support and other valuable guidance rendered during the year under report. The Board would also like to express its thanks to its innumerable beneficiaries who have actively co-operated with various schemes that were implemented by the Corporation. The Board would also express its gratitude and sincere thanks for the co-operation and enthusiastic support received from the officers and staff of the Corporation in all its endeavours.

For and on behalf of the Board of Directors

Thiruvananthapuram

Date: 10/08/2018

Sd/-
Chairman

www.ksbcdc.com

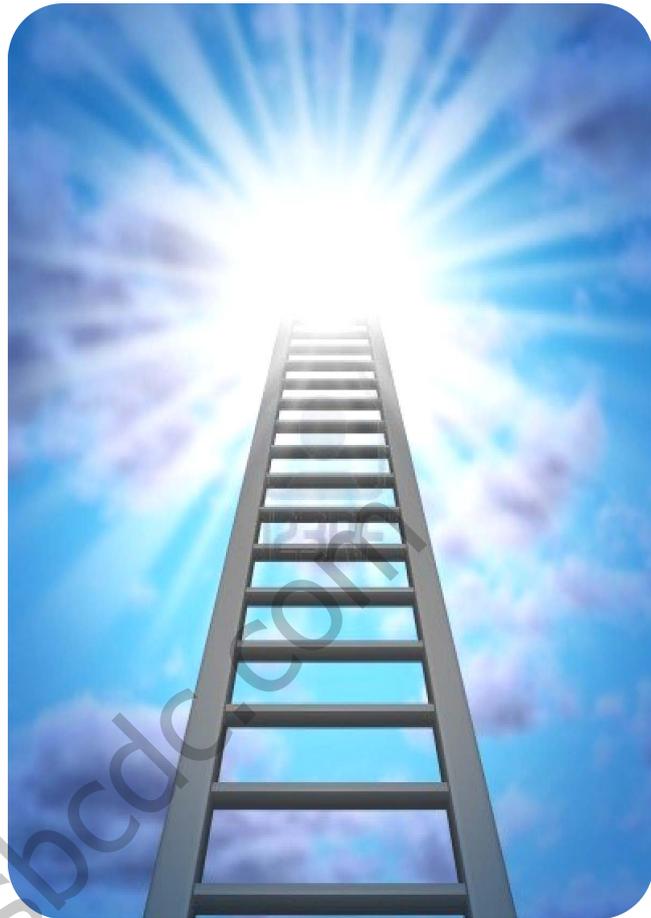
The Year 2016-17.....

Disbursement

- ▶ Rs. 317.00 Crores disbursed to 37766 beneficiaries. An increase of Rs. 41 Crores compared to previous year.

This includes:

- ▶ Rs.81.56 Crores to 5258 beneficiaries under Individual Self Employment Loan Schemes.
- ▶ Rs.66.74 Crores to 23292 women under Micro Credit Loan Schemes.
- ▶ Rs.31.39 Crores to 1206 meritorious students for pursuing their higher education.
- ▶ Rs.42.32 Crores to 2966 beneficiaries for the marriage of dependant girl.
- ▶ Rs.51.09 Crores to 2957 beneficiaries under Suvarnasree (Multi-Purpose) Loan Scheme.
- ▶ Rs.38.65 Crores to 1817 beneficiaries under Personal Loan Scheme.
- ▶ Rs.5.25 Crores to 270 beneficiaries under other schemes.



The Year 2016-17.....

Repayment

- ▶ Rs. 263.49 Crores collected from beneficiaries towards loan repayment.
- ▶ An increase of Rs. 15.79 Crores compared to previous year
- ▶ Cumulative Recovery as per DCB for the month ended March 2017 is 97.07%.
- ▶ Repayment of loans to National Agencies is prompt without any default.



Spreading Awareness...

KSBCDC is always determined to serve better the target groups. In order to reach out to the poor and downtrodden, KSBCDC gives advertisement in print and electronic media, issue press release, distribute pamphlets and other information materials and display advertisement in cinema theatres. Another effective mechanism for spreading awareness is to conduct awareness camps across the



State. Prospective beneficiaries are invited to these programs. Disbursement of loans is also done in these Camps. Inaugural function of these camps are often attended by prominent personalities. During the year KSBCDC organised 17 such Camps

The Year 2016-17.....

DISHA -2017

Giving a new dimension to its activities, KSBCCDC launched – DISHA 2017, an initiative to promote entrepreneurship. Online registration facility for prospective entrepreneurs was launched and more than 6000 registrations were recorded within a span of 2 months during the year. Entrepreneurship training was conducted on 16-02-2017 in all the 14 districts of the State. Around 5200 entrepreneurs attended the programs across the State. Loan schemes of KSBCCDC were also briefed during the program and loan applications were issued to interested persons at the program venue itself. DISHA 2017 has guided thousands to become successful entrepreneurs.



Micro Credit Workshops for Kudumbashree CDSs

KSBCCDC has been implementing the Micro Credit Scheme through Kudumbashree CDSs since 2009. Loan sanctioned to CDSs is distributed by them to their Neighbour Hood Groups (NHGs) and the NHGs inturn give loan to its members. As details up to beneficiary level has to be submitted for availing this loan and several eligibility conditions related with the thrift of the NHGs, Caste/Religion of the Members etc has to be satisfied, submission as well as scrutiny of this loan was a tedious process. In order to simplify the process, an online module was introduced by KSBCCDC for application submission, evaluation and loan sanctioning. This user friendly module facilitates data entry by the CDSs itself. With this objective, KSBCCDC organised 8 Micro Credit Workshops during 2016-17. Representatives of local bodies and Kudumbashree CDSs who had shown interest in the scheme were invited to these workshops and detailed training in the software was imparted to them.



The Year 2016-17.....

Promoting Women Empowerment through Entrepreneurship

During 2016-17, KSBDC disbursed Rs. 66.74 Crore under Micro Credit Loan Scheme to assist 23292 women belonging to 88 Kudumbashree CDSs and 6 NGOs. This is the highest ever disbursement during a year, under this scheme. This loan disbursed at 2.50 – 3.50% interest p.a is a great help to these women to improve their livelihood.



SMS Alert System

Reiterating its commitment to the beneficiaries, KSBDC introduced the SMS Alert System in 2016-17. Information regarding the status of loan application, reminder regarding EMI due date as well as default and other relevant information is passed on to the registered mobile number of the customers through this automated alert system. Honourable Minister Sri.A.K. Balan inaugurated the SMS Alert System at a function organised at Mascot Hotel, Thiruvananthapuram on 10-11-2016.



Scholarship for Meritorious Students

KSBDC with the objective of promoting economically backward students who have passed the +2 examination with A+ grade in all subjects, has instituted one time scholarship since 2013-14. The scheme is implemented as part of the Corporate Social Responsibility Scheme (CSR) of the Corporation.



During 2016-17, Rs. 52.60 lakhs was disbursed under the scheme @ 5000/- per student.

The Year 2016-17.....

Exhibition cum Trade Fair

With the objective to assist the beneficiaries who have availed loans under Self Employment related schemes including Micro Credit to find market for their produce, KSBDC organises Exhibition cum Trade Fairs in various parts of the State. Stalls are allotted free of cost to the beneficiaries. In addition, TA/DA and free accommodation is provided. Exhibits are transported to the Venue by KSBDC. Balance items, if any are also transported back at the end of the event.

In addition to beneficiaries assisted by KSBDC, beneficiaries of other similar Corporations/ PSUs as well as



beneficiaries of various State Channelizing Agencies from various parts of the Country also participate in these exhibitions.

During 2016-17, KSBDC organised one such Exhibition at Palakkad Kottamaidanam from 2016 December 26th to 2017 January 2nd. Wide variety of exhibits were displayed in more than 100 stalls. More than 1 lakh people visited this exhibition and sales turnover was around Rs. 80 lakhs.

Various cultural programs were also organised as part of the event. Entry to the exhibition was free.

KSBDC has also sponsored beneficiaries for exhibitions held in other parts of the Country.

The Year 2016-17.....

KSBCDC remains committed and focused on meeting its objective to attain FREEDOM from POVERTY and BACKWARDNESS.

We maintain higher work standards and improved service delivery mechanism. Our efficiency and commitment towards the target groups have been appreciated and honoured on several occasions.

During 2016-17, National Backward Classes Development and Finance Corporation (NBCFDC) selected KSBCDC as the BEST State Channelizing Agency during the past 25 year history of NBCFDC.

Honourable Minister for Social Justice and Empowerment, **Shri Thawar Chand Gehlot**, presented the award on 13-01-2017. KSBCDC Chairman **Shri. Sangeeth Chakrapani** and Managing Director **Shri. K.T. Balabhaskaran** received the award.

Prior to this award, KSBCDC had received 13 such National Level Recognitions.





सत्यमेव जयते

महालेखाकार (सामाजिक एवं सामान्य क्षेत्र लेखापरीक्षा) का कार्यालय, केरल,
तिरुवनन्तपुरम

**OFFICE OF THE ACCOUNTANT GENERAL (G&SSA) KERALA,
THIRUVANANTHAPURAM**

31 मार्च 2017 को समाप्त वर्ष के लिए केरला स्टेटे बैकवार्ड क्लासेस डेवलपमेन्ट कारपोरेशन लिमिटेड, तिरुवनन्तपुरम के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(a) के अधीन भारत के नियंत्रक - महालेखापरीक्षक की टिप्पणियाँ

**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION
143 (6)(a) OF THE COMPANIES ACT 2013 ON THE ACCOUNTS OF KERALA STATE
BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED,
THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of financial statements of Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing an opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 18 July 2018.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

*For and on behalf of
the Comptroller and Auditor General of India*


एस. सुनिल राज
S.SUNIL RAJ

तिरुवनन्तपुरम / Thiruvananthapuram

Dated: 01.08.2018

महालेखाकार (सा.सा.क्ष.ले.प.), केरला
ACCOUNTANT GENERAL (G&SSA), KERALA



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)

CIN-U75122KL1995SGC008705

**Replies to Comments of the Accountant General on the Audited Accounts of the
Company for the year ended 31st March 2017**

Nil

www.ksbcdc.com



GOVERNMENT OF KERALA

No. PUC3/90/2018-Fin
Computer No.867582

Finance (PUC) Department

COMMENTS OF SECRETARY (FINANCE-EXPENDITURE) ON THE AUDITED ANNUAL ACCOUNTS OF KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED (KSBCDC) FOR THE YEAR 2016-17.

1. The company is at profit during the year 2016-17, but profit has reduced by 8% compared to the previous year.
2. The company should take necessary steps to issue shares for the share application money pending for allotment.
3. Loan outstanding with NMDFC may be reconciled.
4. Confirmation may be made available for short term deposits and term deposits.
5. Suspense accounts should be reconciled with immediate effect.


Dr. SHARMILA MARY JOSEPH
Secretary (Finance Expenditure)

Thiruvananthapuram
Dated: 03.07.2018



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)
CIN-U75122KL1995SGC008705

**Reply to the Comments of the Secretary (Finance Expenditure) on the Audited
Accounts of the Company for the year ended 31st March 2017**

1. The Company is at profit during the year 2016-17, but profit has reduced by 8% compared to the previous year.

Reply: The Corporation being a Government owned NBFC, though exempted from RBI Prudential norms as per Master Direction DNBR.PD. 008/03.10.119/2016-17 dated 01st September 2016, is keeping provisions for the Loans & Advances for upholding Financial Prudence. Moreover, it is pertinent to note that the Company has provided 100% provision for Loss Assets, ie:- where there has been no repayment for the past 3 years in place of 10 years which is a general practice. Had this provision been not made, the Profit would have increased during 2016-17. However, efforts have been taken to increase the Profitability of the Company by strengthening the Recovery mechanism and improving the Quality of the Service Delivery processes.

2. The Company should take necessary steps to issue the shares for the share application money pending for allotment.

Reply: The State Government had not sanctioned for enhancement of the Authorized Share Capital of the Company inspite of the repeated requests of the Corporation since 2015 and hence it was shown as Share Capital Money pending for allotment during the year ended 31st March 2017. However, vide GO (Ms) No: 1/2018/BCDD dated 03/01/2018, the Government issued order for the enhancement of the Authorized Share Capital from Rs. 100 Crores to Rs. 150 Crores and the shares were allotted accordingly.

3. Loan outstanding with NMDFC may be reconciled.

Reply: Letters have been sent to NMDFC to reconcile the differences and reply from them is awaited.

4. Confirmation may be made available for short term deposits and term deposits

Reply: Confirmations are available for the deposits except those issues which have remained pending over years.

5. Suspense Accounts should be reconciled with immediate effect.

Reply: The suspense account in the books of account of the Corporation has the following 2 constituents.

- 1) There were certain amounts where the Corporation could not trace the details of Beneficiaries then and hence Power Jyothi software was introduced for collection of



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

(A Government of Kerala Undertaking)

CIN-U75122KL1995SGC008705

repayment through SBI (erstwhile SBT). This has eliminated the suspense account in the books of accounts now. Moreover, as per the decision of the 178th Meeting of Board of Directors, it was decided to transfer an amount of Rs.2,68,999/- as on 31/03/2009 from the suspense account out of the total amount of Rs.7,83,948/- remaining in the suspense account as on 31/03/2015 and treat the same as Income of the Corporation considering that the possibility of beneficiary claiming the repayment is seldom.

- 2) There was another instance in the Corporation that an employee Shri.K.R.Mohanan who was working on deputation who had misappropriated an amount of Rs.15,27,480/- and a vigilance case was registered. The Corporation has requested the government to make him liable under the Kerala Public Accountants Act 1963 and recover the loss suffered by the Corporation. The alleged employee committed suicide and government directed that an amount of Rs.1,88,819/- from the DCRG of the Shri.K.R.Mohanan to be transferred through treasury to the account of the Corporation. However the Hon'ble High Court on 09th October 2015 passed judgment in favourable to the legal heirs of Shri.K.R.Mohanan that the amount of Rs. 1,88,819 had to be distributed equally among them. However, the Corporation has sent numerous reminders to clarify the release of Rs. 15,27,480 and the reply from the Government is awaited.



R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail:rvenkit_54@yahoo.co.in

Date: 18.07.2018

INDEPENDENT AUDITOR'S REPORT

To
THE MEMBERS
KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have audited the attached Balance Sheet of **KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED** and issued the audit report dated 07.05.2018. There were some omissions/errors in the above audit report dated 07.05.2018, which are subsequently identified. The accounts are yet to be adopted in the Annual General meeting of the Company. This report is issued in lieu of our earlier report dated 07.05.2018 and the old report dated 07.05.2018 may be treated as substituted by this new report

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail: rvenkit_54@yahoo.co.in

Date:.....

have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

BASIS FOR OPINION

I. Non Reconciliation of Loans Outstanding with NMDFC:

The balance of loans outstanding with NMDFC as per the books of accounts do not agree with the external confirmation received by the Corporation. The difference of Rs. 16,76,438/- in principal and Rs. 18,33,798/- in interest has been intimated to NMDFC. The effect of these differences in the financial statements could not be identified and hence the same is disclaimed.

II. Others

A: Fixed Deposits:

Confirmations are not available for fixed deposits totaling to Rs. 12,13,086 in District Offices and in the case of TDR- Short Term Deposits at Head Office, Bank confirmations are not available for an amount of Rs. 1,70,24,586 out of the total Term Deposit of Rs. 5,85,26,137/- as on 31.03.2017. This





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail:rvenkit_54@yahoo.co.in

Date:.....

amount is pending confirmation for the past few years. The accuracy of bank balance to the extent of Rs. 1,70,24,586 could not be verified and hence the cash and cash equivalents is overstated to that extent. The other effect of this overstatement could not be ascertained.

B: Suspense Accounts

Suspense Accounts shows a debit balance of Rs.15,08,245.42 and credit balance of Rs. 193,565/- Out of the total debit of 15,08,245.42 an amount of Rs. 15,00,047.42 has been carried forward from previous years and out of the total credit of Rs. 1,93,565 an amount of Rs. 1,92,898 has been carried forward from previous years. These figures are outstanding for a few years and hence the effect of these differences in the financial statements could not be identified.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, , except for the effects on the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. In our opinion there are no observations or comments on the financial transactions, which may





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail: rvenkit_54@yahoo.co.in

Date:.....

- have an adverse effect on the functioning of the company.
- f. On the basis of notification no G.S.R.163(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Section 164 (2) of the Act "Disqualification of Directors" is not applicable to the company.
 - g. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for qualified opinion paragraph above.
 - h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us;
 - i. On the basis of written representation received from the management, the Company has no pending litigations which would impact its financial position in its financial statements except for those mentioned in Annexure A of this report;
 - ii. On the basis of written representation received from the management, the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. On the basis of written representation received from the management, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and they are in accordance with the books of accounts maintained by the Company.

Thiruvananthapuram
18.07. 2018

For
R. VENKITACHALAM & ASSOCIATES
Chartered Accountants

R. VENKITACHALAM
Partner (M. N: 23478)
Firm Reg. No. 004664S





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail: rvenkit_54@yahoo.co.in

Date:.....

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date;

1. (a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets however the fixed asset register has not been updated on a regular basis;
(b) The Fixed Assets have not been physically verified by the management in a phased manner, designed to cover all the items and no material discrepancies between the books and the physical fixed assets have been noticed.
(c) The Company is not owning any immovable properties
2. There is no inventory held, in view of the nature of operations of the company. Hence, paragraph 3 (ii) of The Companies (Audit Report) Order, 2016 is not applicable.
3. According to the information and explanations given to us, loans granted by the company to any company, firm, LLP or directors or other parties covered under the register maintained under section 189 and the balance outstanding as on 31.03.2017 amounts to Rs 54,805/- (under employees house building allowance scheme).
4. According to the information and explanations given to us, the Company has not granted/made any loans, investments, guarantees, and security dealt with under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of The Companies (Audit Report) Order, 2016 is not applicable.
5. The corporation has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, is not applicable. Accordingly, paragraph 3 (v) of The Companies (Audit Report) Order, 2016 is not applicable and is not commented upon.
6. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Companies Act for the services rendered by the Company. Accordingly, paragraph 3 (vi) of The Companies (Audit Report) Order, 2016 is not applicable and is not commented upon.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund,





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail:rvenkit_54@yahoo.co.in

Date:.....

Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on which they become payable.

- (b) According to the information and explanation given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited as on 31st March 2017 on account of dispute except the following;

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates- Financial Year	Amount involved
Service Tax	Service tax, /interest & Ineligible CENVAT Credit	CGST & Central Excise, North Division, Thiruvananthapuram	01.04.2015-31.03.2016	2,58,746/-
Service Tax	Service tax, /interest & Penalty	Commissioner of Central Excise, Customs & Service, Cochin	01.04.2011-31.03.2014	24,60,922/-
Service Tax	Service tax, /interest & Penalty	Commissioner of Central Excise, Customs & Service, Cochin	01.04.2014-31.03.2015	4,54,507/-
TOTAL				31,74,591/-

8. Based on our audit procedures and according to the information and explanations given to us and on the basis of the books of accounts and other records examined by us, the Company has not defaulted in repayment of any dues, loans or borrowings to banks, financial institution, banks or government and has not issued any debentures.





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail:rvenkit_54@yahoo.co.in

Date:.....

9. According to the information and explanations given to us and on the basis of the books of accounts and other records examined by us, The Company has not raised moneys by way of initial public offer or further public offer or term loans. Accordingly, paragraph 3 (ix) of The Companies (Audit Report) Order, 2016 is not applicable.
10. Based on our audit procedures and according to the information and explanations given to us we report that no fraud by the Company or on the Company by its officers or employees was noticed during the period of audit.
11. According to the information and explanations given to us, the provisions of Section 197 read with Schedule V of the Companies Act 2013 are not applicable to the Company since it is not a Public Company and hence paragraph 3(xi) of the Order is not applicable.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
16. The Company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45-IA of the Reserve Bank of India Act, 1934.

Place: Thiruvananthapuram

Date: 18.07.2017

For
R. VENKITACHALAM & ASSOCIATES
Chartered Accountants

R. VENKITACHALAM
Partner (M. N. 234781)
Firm Reg. No. 004664S





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail: rvenkit_54@yahoo.co.in

Date:.....

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):

We have audited the internal financial controls over financial reporting of Kerala State Backward Classes Development Corporation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail: rvenkit_54@yahoo.co.in

Date:.....

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that;

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Koil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022 E-mail:rvenkit_54@yahoo.co.in

Date:.....

issued by the Institute of Chartered Accountants of India".

R. VENKITACHALAM & ASSOCIATES
Chartered Accountants

R. VENKITACHALAM
Partner (M. N. 23478)
Firm Reg. No. 004664S



Place: Thiruvananthapuram
Date: 18.07 2018

www.ksbcdc.com



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)
CIN-U75122KL1995SGC008705

**Replies to the Qualified Opinion of the Independent Auditors on the Accounts of the
Company for the year ended 31st March 2017**

I. Non Reconciliation of Loans Outstanding with NMDFC.

Reply: Letter to NMDFC has been sent in this regard and reply in this context from them is awaited for further actions.

II .Others

A. Fixed Deposits:

Reply: The observation with regard to Fixed Deposits is noted. The non-availability of confirmation of Fixed Deposits is a long pending issue and efforts were taken to trace the necessary documentation but the same has not been turned fruitful yet. The enquiries were made to the banks where the Fixed Deposits were parked by the Company during 2000-01, however, we have not received any information as to existence of FD receipts/necessary documentation.

This issue shall be taken for opinion of the Board of Directors and necessary actions will be taken to eliminate the qualification at the earliest.

B. Suspense Accounts:

Reply: Efforts will be taken to eliminate amounts in the Suspense Account

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

			(INR)
Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
A EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	2.1	10000.00,000	10000.00,000
(b) Reserve and Surplus	2.2	19447.66,138	17295.13,361
Sub-Total(1)		29447.66,138	27295.13,361
2 Share Application Money for Pending allotment			
	2.3	2485.00,000	1185.00,000
Sub-Total(2)		2485.00,000	1185.00,000
3 Non - Current Liabilities			
(a) Long - term Borrowings	2.4	43242.74,314	38542.35,949
(b) Long - term Provisions	2.5	189.39,910	158.02,173
Sub-Total(3)		43432.14,224	38700.38,122
4 Current Liabilities			
(a) Short-term Provisions	2.6	1235.85,027	1110.30,843
(b) Other Current Liabilities	2.7	9291.21,480	7895.39,202
Sub-Total(4)		10527.06,507	9005.70,045
TOTAL (1+2+3+4)		85891.86,869	76186.21,528
B ASSETS			
1 Non-current Assets			
(a) Fixed Asset			
(i) Tangible Asset	2.8	74.01,466	111.09,867
(ii) Intangible Asset	2.9	1.28,234	1.03,739
(iii) Intangible asset under developed			
(b) Long Term Loans and Advances	2.10	82019.77,451	71373.28,769
Sub-Total(1)		82095.07,150	71485.42,376
2 Current Assets			
(a) Cash and Cash Equivalents	2.11	3594.50,988	3831.88,743
(b) Other Current Assets	2.12	202.28,731	868.90,409
Sub-Total(2)		3796.79,719	4700.79,152
TOTAL(1+2)		85891.86,869	76186.21,528

Significant Accounting Policies

1

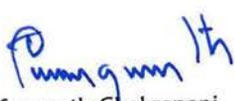
See accompanying notes to the Financial Statements.

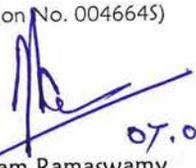
For and on behalf of the Board of Directors

As per our Report of even date
For R. Venkitachalam & Associates
CHARTERED ACCOUNTANTS
(Registration No. 0046645)


R. Ram Ganesh
Company Secretary


K. T. Balabhaskaran
Managing Director


Sangeeth Chakrapani
Chairman


Venkitachalam Ramaswamy
Partner
(Membership No. 023478)

Thiruvananthapuram
Date: 30/04/2018



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

(INR)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
1 Revenue from Operations	2.13	53,03,73,888	45,94,18,226
2 Other Income	2.14	2,52,98,957	4,93,22,160
3 Total Revenue (1+2)		55,56,72,845	50,87,40,386
4 Expenses:-			
(a) Employee Benefits Expenses	2.15	11,71,52,315	10,47,03,491
(b) Finance Costs	2.16	16,57,20,435	16,37,13,056
(c) Depreciation and Amortization Expenses	2.8; 2.9	33,05,041	30,74,145
(d) Other Expenses	2.17	4,37,89,842	-47,11,103
Total Expenses		32,99,67,633	26,67,79,589
5 Profit before exceptional and extraordinary items and tax (3-4)		22,57,05,213	24,19,60,798
6 Exceptional Items (Prior Period Expenses)		72,90,947	45,28,412
7 Profit before extraordinary items and tax (5-6)		21,84,14,266	23,74,32,386
8 Extraordinary Items			
9 Profit before tax (7-8)		21,84,14,266	23,74,32,386
10 Tax Expense:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
11 PROFIT FROM CONTINUING OPERATIONS (9-10)		21,84,14,266	23,74,32,386
12 PROFIT/LOSS FROM DISCONTINUING OPERATIONS			
13 Tax expense of discontinuing operations		-	-
14 Profit/Loss from Discontinuing operations (After Tax) (12-13)		-	-
15 PROFIT /(LOSS) FOR THE YEAR (11+14)		21,84,14,266	23,74,32,386
16 Earnings per Share			
(a) Basic		21.84	23.74
(b) Diluted		21.84	23.74
Significant Accounting Policies	1		

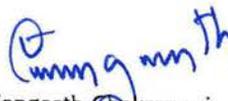
See accompanying notes to the Financial Statements.

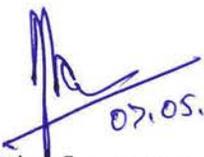
For and on behalf of the Board of Directors

As per our Report of even date
For R. Venkitachalam & Associates
CHARTERED ACCOUNTANTS
(Registration No. 0046645)


R. Ram Ganesh
Company Secretary


K. T. Balabhaskaran
Managing Director


Sangeeth Chakrapani
Chairman


07.05.18
Venkitachalam Ramaswamy
Partner

Thiruvananthapuram
Date: 30/04/2018



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

		(INR)	
Particulars		As at 31st March, 2017	As at 31st March, 2016
		₹	₹
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before extraordinary items and tax	21,84,14,266	23,74,32,607
	Adjustments for:		
	Prior Period Expenses	33,94,555	
	Provision for Earned Leave Salary	31,37,737	
	Depreciation	33,05,041	30,74,145
	Profit on Sale of Fixed Asset	(51,542)	(9,387)
	Loss on Sale of Fixed Asset	17,279	
		98,03,069	
	Operating Profit before Working Capital Changes	22,82,17,335	24,04,97,365
	Adjustment for (Increase)/ Decrease in Working Capital:		
	Other Current Assets	6,66,61,678	(5,86,37,020)
	Current Liabilities and Provision	15,21,36,463	(4,77,12,850)
	Cash generated from Operations	44,70,15,476	13,41,47,494
	Fund Advanced to Customers	(1,06,78,10,171)	(72,68,07,000)
	Net Cash from Operating Activities	(A) (62,07,94,695)	(59,26,59,506)
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Asset	(30,61,086)	(28,55,048,17)
	Sale of Fixed Asset	79,661	44,330
	Net cash used in Investing Activities	(B) (29,81,425)	(28,10,718)
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Increase in Share Capital	-	7,04,00,000
	Share Application money received	13,00,00,000	3,85,00,000
	Increase in Reserves	-	1,00,29,116
	Long term Loans Availed/ (Paid) - Net	47,00,38,365	27,34,64,851
	Interim dividend paid	-	-
		60,00,38,365	
	Net Cash used in Financing Activities	(C) 60,00,38,365	39,23,93,967
	Net Increase in Cash and Cash Equivalents	(A+B+C) (2,37,37,755)	(20,30,76,257)
	Cash and Cash Equivalents at the beginning of the year	38,31,88,743	58,62,65,000
	Cash and Cash Equivalents at the end of the year	35,94,50,988	38,31,88,743
		=====	=====

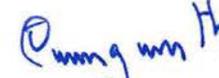
The Cash Flow Statement has been prepared under 'Indirect Method' as set out in AS-3 - Cash Flow Statements

For and on behalf of the Board of Directors

As per our Report of even date
For **R. Venkitachalam & Associates**
CHARTERED ACCOUNTANTS
(Registration No. 0046645)


R. Ram Ganesh
Company Secretary


K. T. Balabhaskaran
Managing Director


Sangeetha Chakrapani
Chairman


Venkitachalam Ramaswamy
Partner
(Membership No. 023478)

Thiruvananthapuram
Date: 30/04/2018



1 & 2:- SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

1. A – Overview

Kerala State Backward Classes Development Corporation Ltd, herein after referred to as the Corporation is a Government Company Registered under the Companies Act, 1956 with 100% shares held by the Government of Kerala. The Corporation was formed in the year 1995 for giving loans to the people belonging to the Other Backward and Minority communities in the state of Kerala categorized as a Non-Banking Finance Company registered under Section 45-IA of the Reserve Bank of India Act, 1934

1. B - Significant Accounting Policies

a) Basis of preparation of Financial Statements:

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in conformity with the Generally Accepted Accounting Principles (GAAP) in India, in relation to all the material aspects of mandatory accounting standards issued by the Institute of Chartered Accountants of India and in accordance with Section 133 of the Companies Act 2013 read with Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and in such criteria as set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months starting from first of April every year for meeting the current / non-current classification of assets and liabilities.

Further, the Company follows prudential norms on Income Recognition, assets classification and such provisioning in case of Non-performing assets (NPA) as well as contingency provision for Standard assets abiding financial prudence which was approved by the 179th Meeting of Board of Directors and already put in place for the Audited Accounts for the year ended 31st March 2016.

b) Use of Estimates:

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles ("IGAAP") requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



c) Fixed Assets and Depreciation:

- i) Fixed Assets are stated at cost less depreciation. Costs comprise of cost of acquisition, cost of improvements and any cost attributable for bringing the asset into the condition or situation of its intended use. Interest on loans taken if any, for procurement of specific assets, accrued up to the date of acquisition/ installation of the said asset is capitalized along with the cost of that asset.
- ii) Depreciation has been provided on written down value method on all fixed assets in accordance with Schedule II of the Companies Act, 2013. In respect of assets added/ disposed of during the year, depreciation is charged on pro-rata basis with reference to the date of addition/ disposal. Expenditure on computer software is capitalized separately as intangible assets and depreciation is charged at the prescribed rates.

d) Impairment of Assets:

Carrying amount of assets is reviewed at each balance sheet date based on the indications of impairment, which comprises of both internal and external factors. The assets are treated as impaired when the carrying amount of the assets exceeds its recoverable amount and such impairment loss is charged to Profit and Loss account in the year in which such impairment is identified. The impairment loss recognized in prior accounting period(s) is reversed to the extent of decrease in the impairment loss.

e) Investments:

Long term investments are carried at cost. However, provision for diminution in the value is made only if such a decline is other than temporary in the opinion of the management.

f) Revenue Recognition:

- (i) Interest on loans and advances to borrowers is recognized on accrual basis.
- (ii) Any other income such as interest on SB, Short -Term Deposits etc. are recognized as and when it is received.
- (iii) Processing fee for the relevant year is charged in full and is then appropriated from the profits before transferring to General Reserve. While in the previous year, this is appropriated directly from income. This is a change in policy compared to previous year. There is an increase in profit for the Current Year to the tune of Rs. 1,25,83,633/-.

g) Grants sanctioned by Government or the channel partners for programmes undertaken for the development of the target group are recognized and deducted from related expenses in the profit and loss account. Unspent grants and grants received in advance are taken to current liabilities. Grants receivable as compensation for expenses incurred in a previous accounting period are recognized in the profit and loss account of the period in which it becomes receivable.

h) Retirement Benefits:

Retirement benefits to employees are provided for by contribution to Provident and other Funds. The accrued liability for leave encashment is ascertained under the assumption that such benefit is payable to all employees at the end of the accounting year. Every employee who has completed five years or more service receives gratuity on leaving the Corporation at 15 days last drawn salary for each completed year of service. A policy has been subscribed under Group Gratuity Insurance Scheme of LIC which covers both insurance and actuarial valuation, thus complying 'AS 15' on employee benefits issued by the Institute of Chartered Accountants of India. Contribution as is applicable to the employees on deputation is paid to the respective parent Departments.



- i) **Taxation:**
Provision for income tax has not been made in the accounts as the income of the Corporation is exempt under section 10(26B)& 10(26BB) of the Income Tax Act, 1961. Consequently the Accounting Standard AS-22 on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India on deferred taxes is not applicable to the Corporation.
- j) **Provisions, Contingent Liabilities, and Contingent Assets:**
A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed by way of notes to the balance sheet. Provision is made in the accounts in respect of those contingencies that are likely to materialize into liabilities after the year-end, until the finalization of the accounts that have material effect on the position stated in the balance sheet. Contingent assets are neither recognized nor disclosed in the financial statements.
- k) **Prior Period Items:**
Identifiable items of income and expenditure pertaining to previous years are accounted in prior period expenses/ income account.
- l) **Books of Accounts in electronic mode:**
The Corporation has online in-house software 'BCDC Online' to monitor its lending business all over the State of Kerala. The statutory financial books of account are maintained with the aid of Tally Accounting Software in the Head Office and Branches of the Corporation. Back-up of the books of account and other books and papers of the company maintained in electronic mode are kept in servers physically located in India on a periodic basis.
- m) **Cash Flow Statement:**
Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Corporation are segregated based on the available information. Cash comprises cash on hand and cash at banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- n) **Loans:**
Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date and loans assigned.



Amounts in the financial statements are presented in Rupees, except where otherwise stated

The previous period figures have been regrouped/ reclassified, wherever necessary to confirm to the current period presentation

(₹)

2.1 SHARE CAPITAL

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Authorized Capital:				
100,00,000 Equity Shares of Rs. 100/- each	10000000	10000,00,000	10000000	10000,00,000
Issued, Subscribed and Paid Up Capital:				
100,00,000 Equity Shares of Rs. 100 each - Fully Paid Up	10000000	10000,00,000	10000000	10000,00,000
(Previous Year 10,000,000 Equity Shares of Rs. 100 each - Fully Paid Up)				

Rights Attached to Each Class of Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 100/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the No. of Shares outstanding at the beginning & at the end of the reporting period				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10000000	10000,00,000	9296000	9296,00,000
Shares Issued during the period	-	-	704000	704,00,000
Shares Bought back during the period	-	-	-	-
Shares Outstanding at the end of the year	10000000	10000,00,000	10000000	10000,00,000

Particulars of shareholders holding more than 5 Per Cent

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Government of Kerala	10000000	10000,00,000	10000000	10000,00,000

Particulars of Shares Issued during the Previous 5 Years

Particulars	During the Year/ Period				
	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Shares of Rs. 100/- Each					
(a) Aggregate no. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
(b) Aggregate number & class of shares allotted as fully paid up by way of bonus shares	-	-	-	-	-
(c) Aggregate number & class of shares bought back	-	-	-	-	-
(d) shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.	-	-	-	-	-
(e) Any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	-	-	-	-	-
(f) Calls unpaid (showing aggregate value of calls unpaid by directors and officers)	-	-	-	-	-
(g) Forfeited shares (amount originally paid-up).	-	-	-	-	-



		(₹)	
2.2 RESERVES AND SURPLUS		As at 31st March, 2017	As at 31st March, 2016
Particulars			
(a) General Reserve			
Opening Balance		1,70,37,80,923	1,46,63,48,537
Less : Dividend		-	-
		<u>1,70,37,80,923</u>	<u>1,46,63,48,537</u>
Add: Transfer from Surplus in Profit and Loss Statement		20,58,30,633	23,74,32,386
Closing Balance		<u>1,90,96,11,556</u>	<u>1,70,37,80,923</u>
(b) Special Reserve:-			
(i) BCDC Loanees Distress Relief Fund			
Opening Balance		2,57,32,438	-
Add: Current Year Transfer		1,25,83,633	-
Less: Utilization during the Current Year		31,61,489	-
Closing Balance		<u>3,51,54,582</u>	<u>2,57,32,438</u>
(c) Surplus in Profit and Loss Statement			
Opening Balance		-	-
Add: Profit for the year		21,84,14,266	-
Less: Appropriation:-			
(a) Transfer to BCDC Loanees Distress Relief Fund		1,25,83,633	-
Less: Transfer to General Reserve		20,58,30,633	-
Closing Balance		<u>-</u>	<u>-</u>
		<u>TOTAL</u>	<u>1,72,95,13,361</u>
		<u>1,94,47,66,138</u>	<u>1,72,95,13,361</u>
2.3 SHARE APPLICATION MONEY PENDING ALLOTMENT		(₹)	
Particulars		As at 31st March, 2017	As at 31st March, 2016
Share application money for pending allotment		24,85,00,000	11,85,00,000
		<u>TOTAL</u>	<u>11,85,00,000</u>
		<u>24,85,00,000</u>	<u>11,85,00,000</u>
2.3.1 Share Allotment is pending since the approval has not been received from Government for enhancement of Authorized Share Capital since 2015.			
2.4 LONG-TERM BORROWINGS		(₹)	
Particulars		As at 31st March, 2017	As at 31st March, 2016
Unsecured Loans:-			
(a) Term Loan from other Parties:-			
Term Loan Schemes:-			
(i) National Backward Class Finance and Development Corporation		2,64,05,09,553	2,43,45,01,441
(ii) National Minority Development and Finance Corporation		1,96,28,35,027	1,76,28,30,237
		<u>4,60,33,44,580</u>	<u>4,19,73,31,678</u>
Micro Finance Schemes:			
(iii) National Backward Class Finance and Development Corporation		37,06,15,007	30,99,43,255
(iv) National Minority Development and Finance Corporation		26,51,56,511	12,08,51,175
		<u>63,57,71,518</u>	<u>43,07,94,430</u>
Less:-			
Current Maturity of Long Term Borrowings:-			
Term Loan Schemes:			
(i) National Backward Class Finance and Development Corporation		48,58,62,322	39,94,86,236
(ii) National Minority Development and Finance Corporation		27,00,91,894	24,99,95,210
		<u>75,59,54,216</u>	<u>64,94,81,446</u>
Micro Finance Schemes:			
(iii) National Backward Class Finance and Development Corporation		9,55,96,109	6,71,28,248
(iv) National Minority Development and Finance Corporation		6,32,91,459	5,72,80,465
		<u>15,88,87,568</u>	<u>12,44,08,713</u>
		<u>TOTAL</u>	<u>3,85,42,35,949</u>
		<u>4,32,42,74,314</u>	<u>3,85,42,35,949</u>

- 2.4.1 All the above Loans are unsecured and Guaranteed by Government of Kerala to the tune of ₹ 648 Crores as on Balance Sheet Date.
- 2.4.2 These loans are under various schemes, the repayment of which ranges from 4 to 10 years.
- 2.4.3 Out of the above, no amounts are under default as on balance sheet date
- 2.4.4 Out of the Long Term Borrowings, the amounts due within a period of 12 months are shown under Other Current Liabilities.

		(₹)	
2.5	LONG-TERM PROVISIONS	As at 31st March, 2017	As at 31st March, 2016
	Particulars		
	(a) Provision for Employee Benefits:		
	Earned Leave Salary	189,39,910	158,02,173
	TOTAL	189,39,910	158,02,173

		(₹)	
2.6	SHORT-TERM PROVISIONS	As at 31st March, 2017	As at 31st March, 2016
	Particulars		
	(a) Group Gratuity Premium Payable	31,97,732	38,62,952
	(b) Provisions & Contingencies		
	Provision on Loss Assets	1203,87,295	1071,67,891
	TOTAL	1235,85,027	1110,30,843

		(₹)	
2.7	OTHER CURRENT LIABILITIES	As at 31st March, 2017	As at 31st March, 2016
	Particulars		
	(a) Current Maturities of Long Term Borrowings:-		
	Term Loan Schemes:		
	(i) National Backward Class Finance and Development Corporation	4858,62,322	3994,86,236
	(ii) National Minority Development and Finance Corporation	2700,91,894	2499,95,210
		7559,54,216	6494,81,446
	Micro Finance Schemes:		
	(iii) National Backward Class Finance and Development Corporation	955,96,109	671,28,248
	(iv) National Minority Development and Finance Corporation	632,91,459	572,80,465
		1588,87,568	1244,08,713
	(b) Creditors for Expenses	77,96,666	100,41,618
	(c) Security Deposits	1,71,622	1,50,167
	(d) Earned Money Deposit	2,61,974	1,77,933
	(e) Loan repayable	67,474	41,106
	(f) Beneficiary contribution	89,167	89,167
	(g) Training fund	-	57,196
	(h) Advance for CSR	8,00,937	-
	(i) Govt. assistance for CC Waiver	4,10,634	4,10,634
	(j) Fisheries Debt Relief Loan Repayable	38,19,556	38,19,556
	(k) Fisheries Debt Relief Fund	8,61,666	8,61,666
	TOTAL	9291,21,480	7895,39,202



2.8. Tangible Assets

(INR)

Sl. No.	Asset	FOR BALANCE AS ON 01.04.2016					FOR ADDITIONS DURING THE PERIOD				BALANCE AS ON 31.03.2017	
		WDV as on 01.04.2016	Sale	Prior Period Adjustment	Depreciation (A)	Residual Value	Cost	Sale/Adj.	Depreciation (B)	Residual Value	Net Depreciation for the year (A+B)	WDV as on 31.03.2017
I	BUILDING	4,20,564	-	7,293	39,248	21,399.45	-	-	-	-	39,248	3,74,024
II	MOTOR VEHICLES	29,54,098	12,285	5,46,988	8,02,981	2,50,899	19,14,823	-	3,63,124	95,741	11,66,105	31,43,543
III	COMPUTERS	15,61,067	801	7,02,662	5,41,758	1,52,861	1,62,150	-	42,202	8,108	5,83,960	4,35,794
IV	FURNITURE AND FITTINGS	29,15,666	516	6,01,426	6,44,175	2,13,900	6,30,888	-	90,573	31,544	7,34,748	22,09,865
V	ELECTRICAL FITTINGS	64,842	-	5,820	16,533	5,533	24,703	-	2,370	1,235	18,902	64,822
VI	OFFICE EQUIPMENTS	31,93,631	31,796	20,57,203	5,10,693	1,58,408	2,54,822	-	65,599	12,741	5,76,291	7,83,162
VII	ELECTRICAL EQUIPMENTS	-	-	(4,96,786)	1,40,582	48,359	38,900	-	4,848	1,945	1,45,430	3,90,256
	TOTAL	111,09,868	45,398	34,24,606	26,95,969	8,61,359	30,26,286	-	5,68,715	1,51,314	32,64,684	74,01,466

2.9. Intangible Assets

(INR)

Sl. No.	Asset	FOR BALANCE AS ON 01.04.2016					FOR ADDITIONS DURING THE PERIOD				BALANCE AS ON 31.03.2017	
		WDV as on 01.04.2016	Sale/Adj.	Prior Period Adjustment	Depreciation (A)	Residual Value	Cost	Sale/Adj.	Depreciation (B)	Residual Value	Net Depreciation for the year (A+B)	WDV as on 31.03.2017
I	SOFTWARES	1,03,739	-	(30,051)	34,536	10,823	34,800	-	5,820	1,740	40,356	1,28,234
	TOTAL	1,03,739	-	(30,051)	34,536	10,823	34,800	-	5,820	1,740	40,356.29	1,28,234

GRAND TOTAL (2.8, 2.9)		112,13,607	45,398	33,94,555	27,30,505	8,62,182	30,61,086	-	5,74,536	1,53,054	33,05,041	75,29,699
-------------------------------	--	-------------------	---------------	------------------	------------------	-----------------	------------------	----------	-----------------	-----------------	------------------	------------------



		(₹)	
2.10	LONG-TERM LOANS AND ADVANCES	As at 31st March, 2017	As at 31st March, 2016
	Particulars		
	Unsecured Considered Good:-		
	(a) General Term Loans:		
	(i) Loans out of NBCFDC Funds	18493,38,852	
	Add: Interest accrued and due	365,06,613	18858,45,465
	(ii) Loans out of NMDFC Funds	12024,93,957	
	Add: Interest accrued and due	222,04,203	12246,98,160
	(b) Micro Finance Scheme:		
	(i) Loans out of NBCFDC Funds	5259,73,432	
	Add: Interest accrued and due	3,35,122	5263,08,554
	(ii) Loans out of NMDFC Funds	1999,28,653	
	Add: Interest accrued and due	1,08,646	2000,37,299
	(c) Loans out of Own Funds	42057,10,633	
	Add: Interest accrued and due	586,23,318	42643,33,951
	(d) Loan out of HUDCO Fund	13,46,414	
	Add: Interest accrued and due	19,34,240	32,80,654
	(e) Employees Personal Loan Scheme EHBA		335,85,397
	(f) Penal Interest Accrued		638,87,971
	TOTAL	82019,77,451	71373,28,769

2.10.1 Loans & Advances due by Directors - ₹ 54,805
 2.10.2 Loans & Advances due by Other Officers - ₹ 7,07,717

		(₹)	
2.11	CASH AND CASH EQUIVALENTS	As at 31st March, 2017	As at 31st March, 2016
	Particulars		
	(a) Balance with Banks:-		
	In Current Accounts (With fund in Transit)	2189,25,728	1591,27,530
	In Savings Bank Accounts	3,26,480	3,18,198
	In Term Deposit Accounts	585,26,137	170,24,587
	In Fixed Deposit Accounts	700,00,000	2020,09,519
	(b) Cash on hand	25,84,915	33,77,209
	(c) Others:-		
	Stock of Stamps	56,128	56,575
	Balance with Government of Kerala Treasury SB Account	90,31,601	12,75,127
	(The account is held as per instructions from Government of Kerala. Maximum balance outstanding at any time during the year ₹1130.31601 Lakhs; Previous Year ₹611.33461 Lakh)		
	TOTAL	3594,50,988	3831,88,743

		(₹)	
2.12	OTHER CURRENT ASSETS	As at 31st March, 2017	As at 31st March, 2016
	Particulars		
	(a) Recoverable in cash or kind for value to be received	59,89,671	631,65,114
	(b) Interest accrued on Fixed Deposits	2,09,495	100,80,813
	(c) BCDC Loanees Distress Relief Fund Receivable	1,63,935	1,63,935
	(d) Advance for expenses	17,13,042	13,86,831
	(e) Govt share on OTS interest waiver receivable	112,13,843	112,13,843
	(f) Chief Ministers DRF	2,91,807	
	(g) Training Fund Receivable	6,46,938	8,79,873
	(h) LDRF		
	TOTAL	202,28,731	868,90,409



2.13 REVENUE FROM OPERATIONS		(₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
(a) Interest Income:-			
(i) Interest on Term Loans/Micro Finance	48,36,38,330	42,69,95,209	
(ii) Interest on EHBA	19,34,380	16,45,070	
(iii) Penal Interest on Scheme Loans	2,54,90,728	2,06,30,142	
(b) Other Financial Services:-			
(i) Processing Fee Collected	1,93,10,450	1,01,47,805	
TOTAL	53,03,73,888	45,94,18,226	
2.14 OTHER INCOME		(₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
(a) NMDFC Grant in Aid	20,42,000	21,00,000	
(b) Interest from Banks (Long FD)	69,86,659	1,93,32,313	
(c) Interest from Banks (Short FD)	65,64,920	2,05,76,495	
(d) Interest from SB Account	16,111	17,003	
(e) Reimbursement from NBCFDC	3,05,277	-	
(f) Reimbursement from NMDFC	8,75,623	-	
(g) Miscellaneous Receipts	85,08,367	72,96,349	
TOTAL	2,52,98,957	4,93,22,160	
2.15 EMPLOYEE BENEFIT EXPENSES		(₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
(a) Salaries, Allowances and Bonus	10,50,51,556	9,59,71,120	
(b) Contribution to Provident and Other Funds	1,15,87,864	85,67,134	
(c) Staff Welfare Expenses	5,12,895	1,65,237	
TOTAL	11,71,52,315	10,47,03,491	
2.16 FINANCE COSTS		(₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
(a) Interest Expense:-			
(i) Interest on NBCFDC Fund	7,38,50,236	8,21,21,005	
(ii) Interest on NMDFC Fund	5,37,60,827	4,59,57,652	
(b) Other Financial Services:-			
(i) Green Card	33,98,426	29,74,440	
(ii) Guarantee Fee to Govt. of Kerala	3,47,10,946	3,26,59,959	
TOTAL	16,57,20,435	16,37,13,056	



		(₹)	
2.17 OTHER EXPENSES		As at 31st March,	As at 31st March,
Particulars		2017	2016
(a) Rent, Rates, Taxes and Insurance		82,08,910	85,06,265
(b) Printing & Stationery		38,25,686	46,32,858
(c) Postage and Telephone Charges		29,03,264	29,92,482
(d) Travelling & Conveyance		17,05,976	13,68,919
(e) Loan Mela and Awareness and EXPO Programme Expenses		28,20,140	2,17,205
(f) Audit Fee		1,10,000	75,000
(g) Fee for Professional Services		28,48,322	27,65,695
(h) Filing Fee		1,03,820	1,30,161
(i) Electricity and Water Charges		8,28,525	7,50,963
(j) Advertisements		14,53,155	22,94,016
(k) Maintenance & Up-keep		33,57,295	30,89,366
(l) General Expenses		28,86,043	20,32,087
(m) Revenue Recovery Charges		4,54,352	4,38,949
(n) CSR Expenditure		52,60,309	1,19,19,473
(o) Adjustment on NBFC Provision (RBI Prudential Norms)		68,74,982	(4,75,51,471)
(p) National Seminar on Social Justice Expenses		-	16,26,929
(q) NBCFDC CSR Expenses		1,49,063	
TOTAL		4,37,89,842	(47,11,103)



2.17. Explanations:

- a) The Authorized share Capital of the Corporation as on date of the Balance Sheet (31/03/2017) was ₹ 100 Crores. The Corporation during the year under audit received ₹ 13 Crores from the Government of Kerala during the year. Thus ₹ 24,85,00,000/- is remaining as the Share Application Money received and pending for allotment as on 31st March, 2017.
- b) Loan availed from National Backward Classes Finance and Development Corporation, and National Minority Development and Finance Corporation, bearing interest as determined by the said agencies from time to time and is repayable in four quarterly installments. Penal interest is payable for default, if any. The loans have been fully covered under a block guarantee given by the Government of Kerala. The Corporation is paying 0.75 percentage of the total actual loan, including interest penal interest etc., which remain outstanding as on 31st March of the preceding year, as Guarantee Commission to the Government of Kerala (GO(MS) No. 487/04/Fin. Dated Thiruvananthapuram 16th October 2004).
- c) The Corporation has set up a fund styled 'BCDC Loanees Distress Relief Fund' which is considered adequate to meet any future contingencies that may arise out of death or accidental disablement of the loanees. The Fund is raised out of one-time marginal contribution from the beneficiaries, appropriation of a certain portion of the annual profits of the Corporation as determined by the Board of Directors of the Corporation from time to time, and out of possible contributions from Related Parties. The reserve is not represented by any earmarked investments.
- d) The Corporation was in possession of 80.5 cents of freehold land in Thiruvananthapuram which was acquired by the Airports Authority of India to start hanger unit for Air India. The Government has identified the alternative land and steps are being taken for the assignment of the land in the name of the Corporation. However, the asset has been written off in accordance with the accounting standard AS-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India.
- e) In the opinion of the Directors, the Current Assets, Loans & Advances have the value as stated in the balance sheet if realised in the ordinary course of business.
- f) Interest accrued but not received represent interest accrued on term deposits one year and above with scheduled banks/ sub-treasury.



2.18. Payment to Directors of the Company:

Sl. No.	Particulars	Current Year ₹	Previous Year ₹
a.	Salaries & Allowances (Managing Director).	11,65,494	9,33,533
b.	Honorarium to Chairman	1,14,839	2,40,000
c.	Traveling Expenses (Managing Director)	60,596	1,72,872
d.	Traveling Expenses (Directors)	23,191	2,24,106
e.	Leave Travel Concession	NIL	NIL
f.	Sitting Fee	61,930	32,600
g.	Value of Perquisites in cash or in kind	NIL	NIL

2.19. The remuneration to statutory auditors for statutory audit of accounts (net of GST) for the year is ₹ 1,10,000/-.

2.20. Corporate Social Responsibility:

The Corporation has expended ₹ 52,60,309/- as its CSR expenses during the year, on the decision made by the Board based on the recommendations of the Sub-Committee so constituted in this regard in accordance with the relevant sections and schedule of the Companies Act, 2013.

2.21. Every employee who completes five years or more service receives gratuity at leaving the Corporation based on 15 days last drawn salary for each completed year of service. The Corporation is subscribing for the group gratuity scheme of LIC of India which covers both insurance and actuarial valuation. The compliance of 'AS 15' relating to 'Employee Benefits' issued by the Institute of Chartered Accountants of India is ensured thus Provision for earned leave salary has been provided for based on the eligible leaves of each employee as at the balance sheet date.

2.22. The Corporation has only one reportable business segment which is providing finances at concessional rate of interest to eligible persons belonging to the backward classes and minority communities of Kerala State. Accordingly, no separate disclosures of segment information have been made as per Accounting Standard AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

2.23. As per clause 9 and 10.13 of Accounting Standard AS-18, Related Party disclosures issued by the Institute of Chartered Accountants of India are not applicable to the Company.

2.24. The disclosure required by Accounting Standard 19 - "Leases": The Corporation has taken various offices and residential premises under operating lease or license agreements. These are generally not non-cancelable and range between 11 months to 3 years and are renewable by mutual consent on mutually agreeable terms. The Corporation has given refundable, interest free security deposits under these agreements. Lease payments are recognized in the Profit and Loss Account under 'Rent' in Schedule 14.

2.25. In case of such loanes, where the Corporation receives an amount in excess than what is required at the time when such loan is closed, then the Corporation, after scrutinizing such payment



so received, being satisfied, intimate the concerned person to collect such excess payment from the company within a stipulated period and even in cases where they become late for such collection, the company releases the payment to them as and when they made the demand. However after considering the diversity in each case of settlement, and the materiality of such amount remained unpaid as well as from the previous experience on the demand, the unclaimed amount is brought under the revenue head, after making necessary adjustments on the amount so demanded.

2.26. The Government of Kerala vide GO(Ms) 78/2012/BCDD dated Thiruvananthapuram 02.06.2012 issued order permitting the Corporation to waive 50% of the interest portion and 100% of the penal interest portion of those loanees who are the defaulters since 31.03.2011 due to their financial difficulties, for which the Government vide Order referred above offered to reimburse the Corporation the amount of loss so sustained by the Corporation in this regard. The total amount waived by the Corporation based on the said Order and disclosed as Government Share on OTS Interest Waiver Receivable is ₹ 1,12,13,843/-, which still remains as receivable.

2.27. Earnings per Share:

Earnings per equity share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as stated below:

Sl. No.	Particulars	Current Year ₹	Previous Year ₹
(a)	Net Profit available for equity shareholders in Rupees	21,84,14,266	23,74,32,386
(b)	Weighted average number of equity shares in Nos.	1,00,00,000	1,00,00,000
(c)	Basic Earnings per share (Face Value ₹ 100 each)	21.84	23.74
(d)	Diluted Earnings per share (Face Value ₹ 100 each)	21.84	23.74

2.28. The Government of Kerala Vide GO.No.D2/16703/2007 dated 28/03/2015 issued an Order requiring the Corporation to write off the Principal, Interest or Penal interest of 638 borrowers in accordance with the criteria mentioned there in (no uniform criteria) and sanctioned ₹ 1,89,88,475/-. The Corporation thus expended ₹ 1,81,26,809/- during the year 2015-16 for the benefit of 588 beneficiaries and the balance ₹ 8,61,666/- is still pending for disbursement.

2.29. The Corporation, vide Order GO (MS) No. 360/14/Revenue dated Thiruvananthapuram 20.08.2014, holds 4.05 Ares of lease hold Government land at Kollam Village (Resurvey 2), in Kollam Taluk of Kollam District for constructing its Kollam District Office by paying rent of ₹ 93,150/- per annum for 3 years. As the risks and rewards of that asset are not transferred in the name of the Corporation it is accounted under the Operating lease method as mentioned in AS 19.

2.30. There is a disputed service tax liability of ₹ 31,74,591, pending w.r.t Service Tax issue and the decision to which is still pending

2.31. Claim against the company not acknowledged as debt is ₹ 4.39 Crores (Previous Year - NIL) and writ petition filed by Koppara Enterprises for Rs. 6,00,000, before High Court of Kerala



2.32. The previous year's figures have been recast/and regrouped wherever necessary to suit current year's groupings. Current year figures have been rounded off to the nearest rupee, wherever applicable.

2.33. The Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the Table Below:-

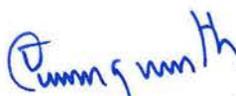
Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 8 th November, 2016	53,63,000	59,934	54,22,934
Add: Permitted Receipts	23,000	16,32,36,074	16,32,59,074
Less: Permitted Payments	-	10,93,829	10,93,829
Less: Amount Deposited in Banks	53,86,000	16,16,46,031	16,70,32,031
Closing Cash in Hand as on 30 th December, 2016	-	5,56,148	5,56,148

For and on behalf of the Board of Directors

As per our Report of even date
For R. Venkitachalam & Associates
CHARTERED ACCOUNTANTS
(Registration No. 0046645)


R. Ram Ganesh
Company Secretary


K. T. Balabhaskaran
Managing Director


Sangeetha Chakrapani
Chairman


Venkitachalam Ramaswamy
Partner
(Membership No. 023478)

Thiruvananthapuram
Date: 30/04/2018

